Subsidy on fertilizers

435. SHRI C. RAMACHANDRAIAH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the subsidies and other facilities presently being provided on urea by Government so as to make it available to farmers at cheaper rates;

(b) whether subsidies and other facilities are being provided on Diammonium Phosphate (DAP) fertilizer also;

(c) if so, the details thereof;

(d) whether fertilizer companies have stopped production of DAP fertilizers due to uncertainty over the fixation of subsidy in view of the increase in the cost of phosphoric acid, the main raw material; and

(e) if so, the details and the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) With the objective of making available fertilizers to farmers of the country at affordable prices, urea, being the only controlled fertilizer, is sold at statutorily notified maximum retail price (MRP), and the decontrolled phosphatic and potassic fertilizers including Di-ammonium Phosphate (DAP) are sold at indicative MRPs. MRP/indicative MRPs are generally far less than the cost of production of these fertilizers. The difference between the cost of production/cost of import and the MRP/indicative MRPs is paid as the subsidy to manufacturers or importers of fertilizers.

(d) and (e) No, Sir. The production of DAP during the months of April to June 2006 was 9.58 lakh metric tonnes (LMTs) as compared to 9.14 LMTs during the same period in 2005.

Exemption of vaccines and medical devices from price control

436. DR. VIJAY MALLYA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government propose to exempt all kinds of price controls for new drugs developed through indigenous research for a period of five years;

(b) whether it is a fact that these exemptions are being extended to other drugs, vaccines and medical devices;

(c) whether there is a proposal to scrap the pharmaceutical research and development fund and replace it with annual-grant of Rs. 150 crores; and

(d) what are the other highlights of the new Drug Policy and by when would the new policy be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) and (b) Exemption from price control is available under para 25 of the Drugs (Prices Control) Order, 1995. Such exemption is granted for a period of 5years on the basis of indigenous R&D or New Drug Delivery System.

An Expert Committee constituted by the Government under the Chairman of Director (CDRI), Lucknow examines applications in this regard and makes its recommendations to the Government for taking a final decision.

(c) Government of India has dissolved the earlier created Pharmaceuticals Research and Development Support Fund (PRDSF) corpus of Rs. 150.0 crores w.e.f. 24.01.2006. Instead, need-based budgetary support would be provided annually for R&D in drugs and pharma sector. There is no change in the objectives, implementation mechanism, composition of Drug Development Promotion Board (DDPB) and the Expert Committee of the programme.

(d) Some of the salient features of the draft National Pharmaceutical Policy-2006 include Strengthening of Drug Regulatory System. (by Health Department), Strengthening of patent office infrastructure. (by Department of Industrial Policy and Promotion), Focus on Research and Development - Process Development, Drug Discovery, Drug Development and Clinical Trials, Human Resources Development in Pharmaceutical Sciences through more institutes like National Institute of Pharmaceutical Education and Research (NIPER), Rationalisation of Excise duty on pharmaceuticals, Steamlining System of Bulk Procurement of Drugs by Government. (like the system fo Tamil Nadu, Delhi Government), Promotion of Generic Drugs. (in purhcase by Government hospitals), Strengthening of Pharma CPSEs, Schemes for providing accessibility

of drugs to the poor especially BPL families, Schemes of interest subsidy for implementation of Schedule M (of Drugs and Cosmetics Rules, 1945) for Good Manufacturing Practices, Scheme for Settment of old dues under Drugs (Prices Control) Order, 1979, Re-structuring of National Pharmaceutical Pricing Authority (NPPA), pricing to be applied to the specific drugs as listed under National List of Essential Medicine, 2003. Prices of existing formulations of 74 drugs under price control under the DPCO, 1995 would be frozen for a period of one year.

After receipt of comments of various departments, the draft policy would be placed before the Cabinet for approval. No specific time frame can be mentioned about the finalisation of the policy.

Consumption of fertilizers

437. SHRI T.T.V. DHINAKARAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the consumption of fertilizers during the last three years;

(b) the estimated requirement of fertilizers for the year 2006-07; and

(c) the steps taken to bridge the gap between demand and supply of fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Product-wise consumption of fertilizers during last three years are given below:—

(in lakh tonnes)

Product Name	2003-04	2004-05	2005-06 (Estimated)
Urea	197.67	206.65	222.04
Ammonium Sulphate (A/S)	5.39	5.29	6.01
Ammonium Chloride (A/C)	0.75	0.82	0.63
Calcium Ammonium Nitrate (CAN)	1.43	1.84	2.10
Dai-Ammonium Phosphate (DAP)	56.24	62.56	68.31
Single Super Phosphate (SSP)	25.44	25.49	28.16